William Blair International, Ltd

MIFIDPRU 8 Disclosure

For the financial year ended 31 December 2024

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1. Introduction

William Blair International Limited (“WBIL” or the “Firm”) is a MIFIDPRU investment firm required to publicly disclose certain qualitative and quantitative information in accordance with the provisions outlined in the FCAs Prudential Sourcebook for Investment Firms chapter 8 (“MIFIDPRU 8”). The disclosed information is proportionate to WBIL’s size and organisation, and to the nature, scope, and complexity of its business activities.

The disclosures are available on the Firm’s website (www.williamblair.com).

1.1 Business Overview

WBIL is a UK private limited company and a wholly-owned subsidiary of William Blair & Company, L.L.C. (“WBC”), a U.S. based firm, which is itself a wholly-owned subsidiary of WBC Holdings, L.P. (“WBH”). WBC is regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority (“FINRA”) in the U.S. William Blair Investment Management, LLC (“WBIM”) is a U.S. based firm that provides investment management services to institutional clients. WBIM is regulated by the Securities and Exchange Commission, and is an affiliate of WBIL and WBC, and wholly-owned by WBH.

WBIL has three subsidiaries:

- William Blair Investment Services (Zurich) GmbH commenced operations in 2014.
- WoBai Business Consulting (Shanghai) Co., Ltd. commenced operations in 2018.
- William Blair International (Singapore) Pte. Ltd. commenced operations in 2020.

WBC is a global investment banking and asset management firm. WBIM, a US entity and an affiliate of WBIL, provides asset management services to global institutional clients and affiliated investment companies. William Blair B.V. (‘WBBV’), a Netherlands entity and an affiliate of WBIL, provides investment banking and asset management services to clients in the European Union. WBC, WBIM and WBBV share the mission of WBIL, to build enduring relationships with clients and to provide expertise and solutions to meet their evolving needs.

WBIL maintains three very distinct business lines, namely Investment Banking, Investment Management, and Institutional Sales. Each of these business lines operates with relatively low risk, in part, because WBIL has permissions to deal with only professional clients and does not hold any client money.

1.3 Classification

WBIL is categorised as a Non-small and non-interconnected (‘Non-SNI’) firm and is regulated by the Financial Conduct Authority (‘FCA’). WBIL’s status changed to Non-SNI as at 1 January 2023. Prior to this date WBIL was categorised as a small and non-interconnected (‘SNI’) firm.

2. Risk Management Objectives and Policies

William Blair seeks to deliver successful outcomes for our clients. As we engage our capabilities to achieve this mission, we may encounter obstacles that could threaten the outcomes we intend. When we identify these threats, or risks, to our business objectives, we employ a consistent and pragmatic approach to understanding and managing these threats, so that we can achieve the best probability of success for our clients. Managing risks effectively also supports the strength and resiliency of our organization, providing enhanced continuity of service for our clients and stability for our participation in the financial markets.

2.1 Risk Management Framework

To support the delivery of consistently successful client outcomes and the stability of our business, WBIL has established a Risk Framework to guide its organizational approach to managing risks that may pose a threat to clients, to the financial markets, or to the Firm. The Risk Framework identifies components that support effective and well governed risk management to meet the regulatory requirements for a non-SNI MIFIDPRU Investment Firm.

These components include:

1. Effective processes to identify, manage, monitor, and report on risks to which the Firm is exposed, or to which the Firm may be exposed,
2. Key internal control mechanisms and procedures utilized to manage and mitigate risks, and
3. Organizational structures and lines of responsibility that support conducting risk management processes in a consistent and effective manner.

In establishing the Risk Framework, the Firm has considered the nature, scale and complexity of its business model and activity. Considering the scope and scale of business activity provides the basis to ensure that the foundation and procedures of the Firm's Risk Framework are proportionate and appropriate for the Firm's business.

WBIL has also considered the regulatory requirements for a non-SNI MIFIDPRU Investment Firm. Considering these requirements supports ensuring that applicable regulations are addressed by the Risk Framework and that appropriate and proportionate risk management protocols are incorporated to meet the Firm's regulatory obligations.

This Risk Management Summary for WBIL will be periodically reviewed and revised as necessary to ensure that it continues to meet applicable regulatory requirements and reflects the established risk management practices for the Firm.

2.2 Risk Management Process

The Firm maintains processes that form the essential elements of its risk management framework, including:

- risk identification and assessment,
- risk appetite and threshold setting, and
- risk monitoring and reporting.

Risk identification and assessment:

- Is conducted consistently across risk types,
- Reflects the Firm's risk profile, scale, and the changing business environment,
- Consults subject matter experts when necessary, and
- Prioritizes material risks that could cause significant harm.

To identify and assess risks, the Firm maintains a framework to control and monitor risk across the principal risk types, consistent with the organization's risk appetite. The risk appetite and associated risk thresholds of WBIL are reviewed and reassessed at least annually, or more frequently in response to any significant change to the nature of the Firm's business, strategy, regulatory requirements, or operations. Any significant changes to the Firm's risk appetite or risk thresholds that involve material risks for the Firm are reported to the WBIL Board of Directors (the "Board") for review, inquiry, and challenge.

The Firm's risk monitoring and reporting processes consider information about both existing and emerging risks, enabling WBIL's senior management to perform their responsibilities with an appropriate level of insight into risk exposures. The Firm also evaluates changes in its risk profile and business.

For risk types that require specialized skills for identification and evaluation, as well as risk mitigation and monitoring, the Firm consults internal, and as necessary, external subject matter experts. Cyber risk, for example, requires specific skills to support effective identification, assessment, and management of the risk that the Firm may confront. As subject matter expertise is required, the Firm consults with experts employed by its affiliates, or identifies external experts, with the necessary capabilities to advise the Firm proportionately to the probability or potential harm of the particular risk.

Three Lines of Defence Model

WBIL operates a three lines of defence model, with support from WBC personnel, which involves the clear allocation of accountability and ownership of risks and controls along with segregation of risk taking and oversight roles.

First Line of Defence

Business management is responsible for the identification of key risks that, if they occur, would affect the ability of WBIL to achieve its strategic goals. Business management is also responsible for ensuring: 1) that a control environment exists to monitor the level of risk being taken, and 2) that this risk level is within the risk appetite of WBIL. Additionally, key business managers complete a monthly attestation covering key risk areas, which is provided to Compliance.

Second Line of Defence

The UK Compliance, Finance and Risk functions (supported by U.S. Compliance, Finance and Risk) are responsible for the design and operation of risk management and performance analysis. Through the services it provides, the U.S. Group augments the second line of defence with support from staff in Risk Management, IT Security, Information Security, Vendor Risk Management, and other functional capabilities. The Second Line Team provides independent challenge to the First Line of Defence via monitoring, analysis, and reporting of risk. The independent challenge of the Second Line is focused on ensuring that risks are identified, assessed, and managed effectively by the First Line. This includes assessing the control environment, the risk level, and risk appetite. The Second Line also reports to the Board the utilization of risk appetite limits as set by the WBIL Board and highlights any breaches that have occurred.

The independent Risk Management function of WBIL has direct access to the Board on a periodic and ad hoc basis to assure that material risks of harm to clients, the financial markets or the Firm are reported consistently. The reporting by the Risk Management function includes the evaluation of the satisfactory identification, assessment and monitoring of risk, as well as the appropriate determination of risk appetite and the level of risk utilization of the specified risk appetite.

Third Line of Defence

William Blair Internal Audit, the third line of defence, provides independent assurance that risks within WBIL are appropriately monitored and managed, including effective design and operation of internal controls, and in line with WBIL policies and risk tolerance. Internal Audit includes WBIL and its staff in regular audit cycles, control testing, and activity reviews.

The Internal Audit team is composed of U.S. based professionals. As necessary to perform its third line of defence role for WBIL, Internal Audit assesses the requirements of the intended activity to determine whether a local co-sourcing arrangement may prove necessary (e.g., localized regulatory expertise).

Own Funds Requirement

The business activities of the Firm expose WBIL to a number of risks. Senior management has considered a range of relevant risks and the risk impacts, taking into consideration the risk appetite set by the WBIL Board. The Board has determined that "WBIL has a low risk appetite in relation to maintaining adequate capital at all times. This means that WBIL will be adequately capitalised at all times with a strong Tier 1 capital ratio." This equates to the following quantitative limit – "WBIL will maintain a 10% buffer over the higher of the regulatory or internal capital requirement."

The most recent ICARA completed by the Firm includes an assessment of WBIL's capital resources and capital resources requirements over a 5-year planning horizon. Actual results for 2023 and projections for 2024 – 2028 are based on IFPR regulations that became effective on 1 January 2022. The capital plan is aligned to the business plan and WBIL's assessment of the risks inherent in the business plan. The Board of Directors approved the business plan and capital plan of WBIL in September 2024.

During the 5-year planning horizon, WBIL does not anticipate issuing additional regulatory capital, but WBIL does see an anticipated increase in its total tier 1 capital. This anticipated increase results from the planned payment of dividends, in amounts less than the profits generated, during the period. The Board will continue to monitor the Firm's current and forecasted capital position to ensure that it maintains sufficient capital at all times in line with its stated risk appetite.

Concentration Risk

Concentration risk could arise due to limited diversification regarding dealings in a Firm's trading book, the location of client or custody assets, Firm cash deposits, or Firm earnings. WBIL does not engage in any proprietary trading, and the Firm does not execute, clear, or settle trades. WBIL provides agency-based services to professional clients and does not hold client accounts or client assets. Investment Management clients of the Firm select their own custodians.

WBIL has considered its potential concentration risk in relation to cash deposits held with banks. Currently, failure of the Firm's primary bank would be a reverse stress test event. The Firm would seek additional capital and liquidity from its Parent to mitigate the impact of the event if the primary bank failed. WBIL's Parent has reconfirmed its financial support of the Firm as necessary to support ongoing operations.

No single client, other than the U.S. Group, represents a material portion of WBIL's total revenue. Clients are geographically concentrated in the U.K. and the European Economic Area. The potential impact of this regional concentration is captured in the Firm's capital planning buffer economic scenario. WBIL does not propose to hold any additional capital related to this risk.

Liquidity

Liquidity risk could arise if the Firm did not hold sufficient cash and collateral to avoid adversely affecting daily operations or financial conditions when responding to anticipated and unanticipated demands for cash and collateral.

WBIL's liquidity risk is limited to the payment of its current obligations and the liquidity risk level is low. WBIL maintains a highly liquid balance sheet that fully anticipates current payment obligations. WBIL is subject to a basic liquid assets requirement and liquid assets threshold requirement. The Firm's policy is to seek consistent assurance of sufficient liquidity to fund operational obligations and to avoid overdrafts or significant foreign currency exposure. WBIL is not a member of a clearinghouse or central counterparty and is not required to post margin balances or finance trades that fail to settle timely.

If WBIL encounters a liquidity stress scenario, the Firm anticipates the availability of additional funding from its Parent. WBIL's Parent has reconfirmed its financial support of the Firm as necessary to support ongoing operations. At present, WBIL does not rely on the availability of affiliate funding to mitigate the Firm's liquidity risk in line with its risk appetite.

3. Governance Arrangements

The Firm's systems of risk management and internal control include risk assessment processes, and risk management and mitigation through control processes, information and communication systems, and processes for monitoring and reviewing of control effectiveness.

The risk management and internal control systems are embedded in the operations of the Company and are designed to respond appropriately to evolving business risks, whether they arise from factors within the Company or from changes in the business environment.

3.1 Board of Directors

The WBIL Board has ultimate responsibility for the activities and business conducted in the U.K. by the U.K. staff. It retains the ability to determine whether an activity is outside of the Firm's risk appetite.

Board of Directors (WBIL)

The Board sets the strategic direction of the Firm and approves any significant changes to the Firm and its operations. The Board is constituted with the locally based head from each business unit along with William Blair's President and Chief Executive Officer, Chief Financial Officer and General Counsel. The Board meets four times a year.

3.2 Committees

Audit Committee

The William Blair Audit Committee oversees the audit function at William Blair, including the services provided to WBIL.

New Product Committee (WBIL)

The New Product Committee meets when required to opine on any new business venture, strategy or product. This also relates to any enterprise in any new jurisdiction.

Management Committee (WBIL)

The Management Committee is responsible for the day-to-day operations of WBIL and includes individuals who perform daily activities in leadership roles for WBIL. This committee meets frequently and includes the three locally based directors and business heads, Thomas Ross, Stewart Licudi and James Bennett, along with other key members from the business. In addition, the committee includes functional representatives from Compliance, Legal, HR, Finance and Real Estate and Workplace Management.

The purpose of this committee is to oversee the day-to-day operations of WBIL as well as report directly to the Board on any matters that may require their approval and oversight. If there are any substantive issues, a full board meeting will be held. The Management Committee's oversight of the day-to-day operations of WBIL includes the review of financial KPIs including:

- Change in revenue
- Net profit margin
- Liquidity position
- Regulatory capital position

3.3 Diversity and Inclusion

William Blair prioritizes and cultivates a workplace where inclusion is at the heart of our culture and business because we believe that bringing together colleagues with diverse experiences, backgrounds, and perspectives is essential for growth and innovation. We focus on building our inclusive, high-performing culture by seeking and retaining talented individuals who embrace and nurture diversity, helping all to thrive.

Executive leadership, led by our CHRO, partner to ensure our inclusion strategies are incorporated into all elements of our talent processes and are aligned with our overall business and talent strategies, as well as the Firm's mission, vision, and values. An important part of our inclusive culture also entails partnering with our employee-led Alliances to empower colleagues to celebrate and advance inclusion and diversity within our workplace and throughout our communities.

4. Own Funds

4.1 Composition of regulatory own funds

Under the IFPR, own funds are made up of a firm's common equity tier 1 capital (CET1), additional tier 1 capital and tier 2 capital. The Firm's regulatory capital fully consists of CET1. The table below summarizes the composition of regulatory own funds for the Firm as at 31 December 2024.

The Firm ensured that it was compliant in meeting these regulatory requirements during the year.

Table 1: Composition of regulatory own funds

No	Item	Amount (£'000)	Source based on the balance sheet in the audited financial statements
1	**OWN FUNDS**	**55,586**	
2	**TIER 1 CAPITAL**	**55,586**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**55,586**	
4	Fully paid up capital instruments	3,100	Page 13 and note 17
5	Share premium	750	Page 13
6	Retained earnings	51,604	Page 13
7	Accumulated other comprehensive income	694	Page 13
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	(562)	see note below
10	Other funds	-	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19	CET1: Other capital elements, deductions and adjustments	-	
20	**ADDITIONAL TIER 1 CAPITAL**	**-**	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	**TIER 2 CAPITAL**	**-**	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Note: deduction for deferred tax asset as at 31 December 2024

4.2 Balance Sheet Reconciliation

The following table reconciles the Company's assets and liabilities as at 31 December 2024 to the Company's regulatory own funds:

Table 2: reconciliation of regulatory own funds to balance sheet in the audited financial statement

		Balance sheet as in published/ audited financial statements	**Under regulatory scope of consolidation**	**Cross-reference to table 1**
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Property, plant and equipment	24,511		
2	Right-of-use assets	53,692		
3	Investment in subsidiaries	1,100		
4	Deferred tax asset	562		9
5	Corporation Tax Asset	1,145		
6	Other non-current financial Assets	170		
7	Investments	213		
8	Trade and other receivables	20,237		
9	Cash and cash equivalent	55,985		
	Total Assets	**157,615**		
Liabilties - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
10	Trade and other payables	34,781		
11	Lease Liabilties (Current Liabilities)	3,545		
12	Current Tax Liabilities	-		
13	Lease Liabilities (Non-Current Liabilities)	63,141		
	Total Liabilities	**101,467**		
Shareholders' Equity				
14	Called up share capital	3,100		4
15	Share premium	750		5
16	Foreign currency translation reserve	694		7
17	Retained earnings	51,604		6
	Total Shareholders' equity	**56,148**		

4.3 Main Features of Capital Instruments

The firm is required to disclose information on the main features of the CET 1 instruments, Additional Tier 1 instruments, and Tier 2 instruments. The company's capital instruments are outlined below:

Table 3: Main features of own instruments issued

Issuer	**WBIL**
Public or private placement	Private
Instrument type	Ordinary Share
Regulatory Classification	Common Equity Tier 1
Amount recognised in regulatory capital (£'000 as at 31 December 2024)	3,100
Nominal amount of instrument (Number of Shares)	3,100,000
Issue price	£1
Accounting classification	Called-up share capital
Original date of issuance	30 July 1998: 1,000 Shares 24 March 1999: 2,349,000 Shares 30 November 2000: 250,000 Shares 17 September 2001: 500,000 Shares
Perpetual or dated	Perpetual
Coupons/dividends	Discretionary dividends
Existence of a dividend stopper	No
Convertible or non-convertible	Non-Convertible

5. Own Funds Regulatory Requirement

WBIL is required to disclose the K-factor requirement and the fixed overheads requirement information regarding its compliance with the own fund's requirement ("OFR") set out in MIFIDPRU 4.3.

In addition, WBIL is required to disclose its approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule ("OFAR") in MIFIDPRU 7.4.7R.

5.1 Own funds requirement

As mentioned above, WBIL as a non-SNI firm, is required to maintain own funds that are at least equal to its OFR as set out under MIFIDPRU 4.3, stipulated as the highest of its:

- (i) Permanent minimum capital requirement ("PMR") (per MIFIDPRU 4.4);
- (ii) Fixed overheads requirement ("FOR") (per MIFIDPRU 4.5); and
- (iii) K-factor requirement ("KFR") (per MIFIDPRU 4.6)

WBIL's own funds requirement was £16,958 as at 31 December 2024 as displayed in the table below.

Table 4: Own funds requirement assessment – 31 December 2024

	£'000
Permanent Minimum Requirement (PMR)	75
Fixed Overheads Requirement (FOR)	16,958
KFR (based on K-AUM)	111
OFR (Highest of PMR, FOR and KFR)	**16,958**

PMR - WBIL's PMR is £75,000 as it provides investment services subject to the conditions specified in MIFIDPRU 4.4.4 and does not hold client money or assets.

FOR - The FOR is an amount equal to one quarter of the firm's relevant expenditure (i.e. fixed overheads) during the preceding year. WBIL's FOR is based on its audited financial statements for the year ended 31 December 2023.

KFR - KFR is the sum of nine factors that provide capital requirements to measure specific risks to customers, markets and the firm. The only K-factor applicable to WBIL is K-AUM. WBIL's capital requirement under K-AUM is minimal has it only has four investment advisory clients that contract directly with it. All other client's contract with WBIM, WBIL's affiliate.

Table 5: K-factor requirement under three categories – 31 December 2024

KFR by Category	**£'000**
Sum of K-AUM, K-CMH and K-ASA	111
Sum of K-COH and K-DTF	0
Sum of K-NPR, K-CMG, K-TCD and K-CON	0
KFR (Sum of the K-Factors)	**111**

5.2 Basic Liquid Asset Requirement

Under MIFIDPRU 6.2, WBIL is required to always maintain an amount of core liquid assets equal to one third of the amount of its fixed overheads requirement. This is the basic liquid assets requirement ("BLAR").

This requirement represents the minimum amount of core liquid assets that a firm must hold to initiate its winddown if required to do so and represents four months' worth of its fixed overheads. The BLAR is therefore equal to the Firm's FCA stipulated wind-down trigger.

Below are the Firm's core liquid assets, BLAR and excess as at 31 December 2024.

Table 6: BLAR and core liquid assets – 31 December 2024

	£'000
Core Liquid Assets	55,728
BLAR	5,653
Excess	**50,075**

6. Remuneration Policy and Practices

An integral element of the Firm’s business model is its approach to remuneration of employees. Remuneration at WBIL consists of fixed and variable performance-related pay. The performance-related pay is directly related to individual performance, department performance, and to the success or failure of WBIL’s targets and objectives, which in turn are related to the good conduct and sound financial performance of WBIL.

It is WBIL’s policy to attract and retain individuals of the’ highest caliber and reward them so that they are motivated to grow the value of the business, thereby maximizing stakeholder return and this policy is applied firm-wide to all staff. The policy for variable compensation is to recognize corporate performance, promote sound and effective risk management, individual achievement of WBIL’s objectives and individual conduct via means of a discretionary bonus scheme.

The structure and incentive of WBIL's remuneration policy is designed to ensure sound and effective risk management through:

- a clear policy and procedure for setting variable remuneration including individual, team and group performance;
- alignment with WBIL’s business strategy, values and long term-goals;
- alignment with the protection of WBIL’s clients, customers and investors in products that WBIL manages or advises on;
- ensuring variable remuneration does not undermine the viability and sustainability of WBIL and its ability to meet its capital and liquidity requirements; and € ensuring financial and non-financial incentives do not promote excessive risk-taking.

The Board of Directors of WBIL (‘’the Board’’), together with the Executive Committee of William Blair (‘’Executive Committee’’), the HR Department (‘’HR’’) and the Chief Compliance Officer (‘’CCO’’) are responsible for the implementation and maintenance of the Remuneration Policy and ensuring that it is consistent with and promotes effective risk management.

WBIL’s Board of Directors or the equivalent thereof (as the case may be) is ultimately responsible for establishing effective remuneration policies and procedures.

WBIL Board of Directors meets every quarter to accomplish various business requirements, including but not limited to review of proposed policies and policy amendments and to execute a vote to either approve or reject the new policy or the amended policy.

Employees are awarded competitive fixed remuneration based on the role requirements, individual experience, and industry benchmarking. This allows WBIL to attract and retain the right caliber of employee. Variable remuneration is awarded in a manner which promotes sound risk management, includes ex- post risk adjustment, does not incentivize excessive risk-taking and aligns WBIL’s members and/or employees with the long-term business strategy and interests of its clients, customers and investors in products that the relevant WBIL manages or advises on.

The remuneration decisions across WBIL are made based on a combination of:

- the long-term sustainability and viability of WBIL and the group;

- the impact on WBIL’s prudential positions and threshold conditions; and the business performance and results of the business function or unit of the group against the strategic objectives.

The remuneration decisions for individuals are made based on a combination of the following criteria:

- individual performance;
- the level of responsibility and seniority within the role;
- overall performance of the business and then the relevant business function or unit;
- adherence to the relevant WBIL’s purpose, values and culture; and compliance with the internal conduct policies and procedures.

The performance- related pay is directly related to individual performance, department performance, and to the success or failure of WBIL’s targets and objectives, which in turn are related to the good conduct and sound financial performance of WBIL.

WBIL pays annual discretionary cash bonuses to its eligible employees. All employees are assessed against the relevant variable remuneration criteria to determine their eligibility for and potential size of a cash bonus. Employees must remain employed by WBIL on the scheduled payment date to receive the bonus. MRT bonuses may be subject to ex-post risk adjustments.

Material risk takers (“MRTs”) are employees who have specific roles or levels of responsibility and are deemed to have the ability to impact the risk profile of WBIL. MRTs can include senior management, risk takers, control functions, and other roles and functions (per SYSC 19.5.3R - 19.5.9R). The MRTs for WBIL are also some of the existing SMF holders.

WBIL is a non-small and non-interconnected MIFIDPRU Investment firm (“Non-SNI” or “Class 2 firm”) and are therefore not subject to the full extent of the Remuneration Code (see SYSC 19G.1.7G, which outlines provisions applicable to non-SNIs). The principal activities of WBIL are comprised of institutional sales and trading, investment banking and investment management throughout the United Kingdom and countries that make up the European Economic Area ("EEA"). The institutional sales activity is focused on selling proprietary research generated by WBC and acting as Agent of WBC for any clients based in the UK and the EEA. The investment banking activity is focused on mergers and acquisitions advisory services, and the investment management activity is focused on distribution and the management of investment portfolios for institutional clients.

The potential remuneration components are described as below:

Fixed Remuneration

- Base salary - Reviewed Annually
- Base salary/draw/fixed payments (for MRTs/Partners) - Reviewed Annually
- Pension - Fixed percentage of base salary paid as defined contribution
- Benefits - Fixed benefits, including holiday pay arrangements

Variable Remuneration

- Short term incentive (Cash Bonus) - Discretionary annual cash bonus - Reviewed Annually
- Short term incentive (Discretionary bonus distribution for Partners) - Reviewed Annually

Extraordinary payments

- Sign-on bonus
- Retention bonus
- Buy-out awards

MRTs may be subject to the claw back/recoupment of already paid variable remuneration, or ex-post risk adjustments, such as reducing the current year variable remuneration, in circumstances where:

- an MRT participated in or was responsible for fraudulent, intentional or grossly negligent conduct which resulted in significant losses for WBIL or the relevant clients/products or in products that the relevant MRT manages or advises on; or
- the MRT has failed to meet appropriate standards of fitness and propriety as set out under the FCA Rules.

WBIL determines the above claw back and ex-post risk adjustments as effective provisions and arrangements to prevent excessive risk-taking, better align risk and reward incentives, encourage more effective and sound risk management in order to protect the viability and sustainability of the business and ensure that individuals do not profit from a relevant crystalised risk.

The claw back period is a total of three years from the date of the payment. Only variable remuneration that has been awarded or that has vested within the previous three years will be subject to claw back.

Since WBIL is not subject to the FCA's extended remuneration rules, it is not required to impose deferral, vesting and payment in non-cash instruments on all variable remuneration paid to its MRTs. WBIL considers that its policy on claw back of variable remuneration is sufficient.

WBIL will only award guaranteed remuneration in exceptional circumstances, which will be determined as appropriate i.e.:

- sign-on bonuses;
- retention bonuses; or
- other forms of guaranteed bonuses.

Any guaranteed remuneration will not be granted to MRTs for periods beyond the first year of employment, unless there is an exceptional reason which will be documented by Human Resources.

Severance pay is awarded at the discretion of WBIL and will only be awarded to reflect the performance achieved over time and is not designed to reward failure or misconduct.

When awarded, severance pay will be in line with the employee duration and performance in their role.

Discretionary cash bonuses (Employee remuneration)

- WBIL pays annual discretionary cash bonuses to its eligible employees. All employees are assessed against the relevant variable remuneration criteria to determine their eligibility for and potential size of a cash bonus.
- Bonuses are determined at the end of the relevant performance year and paid in Q1 of the following year.

- Employees must remain employed by WBIL on the scheduled payment date to receive the bonus.
- MRT bonuses may be subject to ex-post risk adjustments.

Discretionary bonus distribution (Partner remuneration)

- WBIL employees who are also limited partners in WBC Holdings, L.P. ("Partners"), are assessed against relevant remuneration criteria to determine their "Performance Adjusted Market Value" or "PAMV." PAMV is a total compensation amount, comprising of a base salary & fixed payments (fixed remuneration) and discretionary bonus component.
- For each Partner, the variable remuneration (discretionary bonus component of PAMV) is PAMV less their fixed remuneration.
- Partners receive distributions on a periodic basis during the calendar year. The bonus component of PAMV is determined at the end of the relevant performance year.

MRTs bonus component of PAMV may be subject to ex-post risk adjustments.

The total remuneration for the performance year is as follows:

Table 7: Remuneration details during 2024

	MRTs	Non-MRTs
Number of staff	8	199
Fixed remuneration	£4,499,817	£35,979,961
Variable remuneration	£2,818,619	£28,010,721
Total Remuneration	**£7,318,436**	**£63,990,682**

The disclosure in the table above has taken advantage of the exemption in MIFIDPRU 8.6.8 and 8.6.9 to prevent the individual identification of a material risk taker's remuneration by breaking down the disclosure further for the MRT holders in the table.